

City of Detroit

CITY COUNCIL

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TO: COUNCILMEMBERS

FROM: Irvin Corley Jr., Director *IC*
Anne Marie Langan, Deputy Director *AML*

DATE: September 17, 2007

RE: DWSD/TIP Capital Master Lease

This lease agreement is a line item on City Council's Budget, Finance and Audit Committee for Monday September 17. Fiscal Analysis is submitting the following questions and anticipates responses from the Administration as soon as possible.

We will provide a hard copy to your offices on Monday.

1. Was there an RFP for this project?
2. Did this lease go through the regular city purchasing procedures?
3. Were other bids submitted?
4. Has the city ever done business with this company before?
5. Why does the cover letter highlight the use of financing when this seems like a lease, similar to the city's many copy machine leases?
6. Why is state act 279 of 1909 being invoked as the city's authority to enter into this contract? How is this different than the copier leases?
7. Was GE Capital financing under act 99 considered?
8. Who in Finance was consulted on this capital lease?
9. How is DWSD "raising" the \$6.3 million for the equipment as stated in the cover letter?

10. If DWSD was making an outright purchase of this equipment who would be the typical vendor? What would be the estimated cost of an outright purchase?
11. Would like to see a copy of the Water Board Commissions minutes/resolution authorizing this contract.
12. Does this arrangement include potential upgrades, maintenance and warranties?
13. Why did DWSD determine that they wanted to lease this equipment as opposed to buying it?
14. Where in DWSD will this equipment be utilized?
15. Is this replacing current equipment or something additional?
16. Does the city expect to use this type of arrangement for other equipment purchases in the future?
17. What are the financing terms incorporated in the agreement?
18. Please provide in writing a "signoff" that Oracle – including DRMS, Workbrain and the new HR module - will not have any technical problems working in a thin-client environment.
19. What is the standard screen size in this agreement and what is the range of available screen-size options?

We will request that the Administration copy all council offices with their responses.

cc: Council Divisions
Auditor General
Sreenivas Cherukuri, Deputy Director ITS
Roger Short, Finance Director
Donita Crumpler, Finance Debt Management
Kandia Milton, Mayor's Office